

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP
SEPTEMBER 2, 2009**

DIRECTORS PRESENT

Matt Disston, Committee Chair
Glenn Acosta, Committee Member

STAFF PRESENT

Don Chadd, General Manager
Hector Ruiz, District Engineer
Sharon E. Smith, Secretary/Treasurer
Teresa Teichman, Assistant to the General Manager

PUBLIC PRESENT

No members of the public were present.

CALL MEETING TO ORDER

Committee Chair Disston called the September 2, 2009
Finance/Audit Committee Meeting to order at 7:10 a.m.

VISITOR PARTICIPATION

Public comments were announced. No comments were received.

ORAL COMMUNICATION

Oral communication was announced. No comments were received.

COMMITTEE MEMBER COMMENTS

There were no comments.

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REPORT FROM THE GENERAL MANAGER

Mr. Don Chadd, General Manager, stated that President Disston was appointed to speak on September 9, 2009 before the Local Agency Formation Commission concerning the Municipal Water District of Orange County Governance Study.

Mr. Chadd also reviewed the Administrative Department vacation schedules during September 2009.

ACTION ITEMS

ITEM NO. 1) FINANCE/AUDIT COMMITTEE MEETING RECAP

The August 18, 2009 Finance/Audit Committee Meeting Recap was presented to the Committee. No changes were made to the Recap.

Recommendation: The Committee recommended that the August 18, 2009 Finance/Audit Committee Meeting Recap be received and filed by the Board. (Consent Calendar)

ITEM NO. 2) RATIFICATION OF DIRECTORS' FEES AND EXPENSES AND FUTURE MEETINGS

The Committee reviewed this matter.

Recommendation: The Committee recommended that the Board ratify the Directors' expenses for July 2009 and fees for August 2009, as presented. (Consent Calendar)

ITEM NO. 3) STATUS UPDATE RELATING TO CALIFORNIA DROUGHT AND WATER CONSERVATION EFFORTS

The status of the recent water conservation efforts was discussed.

Recommendation: The Committee received and filed the status update. No action required.

ITEM NO. 4) OTHER MATTERS

Mr. Chadd stated that a date to schedule a Special Finance Workshop to discuss investments will be agendaized for the October 21, 2009 Regular Board Meeting.

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ITEM NO. 5) TREASURER'S REPORT

ITEM NO. 5A) PRESENTATION OF JULY 2009 UNAUDITED FINANCIAL
STATEMENT

Ms. Sharon Smith, Secretary/Treasurer, reviewed the July 31, 2009 preliminary unaudited financial statement. She noted that the Investments, at Cost decreased over July 2008 due to capital expenditures.

Ms. Smith stated that about 50% of the June revenues and expenses were received in July and accrued to June of 2009. About 281 acre feet of water was billed in July of 2009 compared to 342 acre feet in July of 2008. The revenue collected in July of 2009 was only \$18,000 less than prior year due to the change in the Conservation Encouragement Rate Program and potential conservation.

Operating expenses were briefly reviewed. District Services increased over prior year due to the addition of one employee and changes to the overtime and standby pay. Regarding Contracted Professional Services, the District's Local Agency Formation Commission pro-rata share of the LAFCO budget was paid in July of 2009; it was paid in August of 2008 which causes an anomaly to this line item. Likewise, the South Orange County Wastewater Authority was paid in July of 2009 but in August of 2008.

The non operating revenue was very low in July of 2009.

Recommendation: The Committee recommended that the Board receive and file the July 2009 preliminary unaudited financial statement, as presented. (Consent Calendar)

5B) BILLS FOR CONSIDERATION

The bills for consideration were presented.

Recommendation: The Committee recommended that the Board ratify payment of the September 2, 2009 bills for consideration in the amount of \$150,732.90 and August 2009 payroll in the amount of \$160,979.20, as presented. (Consent Calendar)

Status Relating to State Revolving Fund Loan

Committee Chairman Disston requested a status of the State Revolving Fund Loan for the Rose Canyon and Lang Wells Facilities Upgrades. Mr. Hector Ruiz, District Engineer, responded that staff has reviewed the loan documents and will request further action at the September 16, 2009 Regular Board Meeting.

Mr. Chadd noted that concerned residents will meet today with staff and an architect from CDM to address the fencing and alternate landscape concerns.

Committee Chairman Disston requested that Mr. Ruiz address the options previously provided by the Ad Hoc Well Committee to be included in the bid document be discussed at the September 8, 2009 Executive Committee Meeting.

ADJOURNMENT

Committee Chair Disston adjourned the September 2, 2009 Finance/Audit Committee Meeting at 7:35 a.m.